

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 CAPITOL MALL, 17TH FLOOR
SACRAMENTO, CALIFORNIA 95814**

ER 02021726
October 23, 2002

**NOTICE OF ADOPTION OF EMERGENCY REGULATION
PURSUANT TO GOVERNMENT CODE SECTION 11346.1(b)**

California Insurance Commissioner Harry W. Low ("the Commissioner") hereby provides notice, pursuant to California Government Code sections 11346.1(b) and California Insurance Code section 12921.7, that section 2187.4 of Article 6.5 of Subchapter 1 of Chapter 5 of Title 10 of the California Code of Regulations (CCR) will be submitted to the Office of Administrative Law for approval.

This Notice contains a description of the public problem and the necessity for the regulation, a justification for the emergency adoption of the regulation, and the text of the regulation.

This Notice is provided to every person, group, and association that has previously filed a request for notices of regulatory action with the Commissioner. Copies of the Notice are available at the Department of Insurance, 300 Capitol Mall, 17th Floor, and Sacramento, California 95814. The Notice will be published on the Department of Insurance's website: www.insurance.ca.gov.

The Department will submit this regulation to the Office of Administrative Law for adoption on an emergency basis, along with the Department's rulemaking file, not less than five (5) working days after the mailing of this Notice.

Questions regarding this rulemaking action should be directed to:

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DESCRIPTION OF PROBLEM AND NECESSITY FOR REGULATION

California Insurance Code section 1749.7 (Assembly Bill 393, 1999; Chapter 321, Statutes of 2000), which becomes effective January 1, 2002, establishes a fire and casualty broker-agent license for persons who sell automobile insurance, residential

property insurance, including earthquake and flood insurance, personal watercraft insurance, and umbrella or excess liability insurance, as specified.

California Insurance Code section 1749 enacts provisions regarding prelicensing and continuing education qualifications for fire and casualty broker-agents. This legislation requires that candidates for a fire and casualty license take a qualifying examination and provides for an exemption if a candidate has been continually employed by an admitted insurer or licensed fire and casualty broker-agent in a full-time position for at least three years prior to January 1, 2001. Section 5 of AB 393 requires the Commissioner to adopt as emergency regulations rules to implement the bill's provisions. The regulation hereby noticed fulfils that legislative mandate by implementing, interpreting, and making specific the provisions of the law.

JUSTIFICATION FOR ADOPTION OF EMERGENCY REGULATION

The regulation is necessary to implement, interpret, and make specific the provisions of California Insurance Code section 1749, and to comply with section 5 of Assembly Bill 393 of 1999 (Chapter 321, Statutes of 2000).

TEXT OF THE REGULATION TO BE ADOPTED

The text of the regulation is attached.